

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 OPIC-06 XMB-04 FRB-01 CIAE-00
COME-00 EB-08 INR-10 LAB-04 NSAE-00 SIL-01 TRSE-00
SP-02 L-03 DODE-00 PA-02 ICA-20 /074 W
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R 041719Z AUG 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 8823
INFO AMEMBASSY BRUSSELS
AMEMBASSY PARIS
AMCONSUL BELFAST
ALL EC CAPITALS

UNCLAS LONDON 12468

OECD
USMTN GENEPauseC BRUSSELS

E.O. 11652: N/A
TAGS: ETRD, UK, US
SUBJECT: UK GOVERNMENT TO AID NEW US CAR FACTORY
IN NORTHERN IRELAND

1. THE UKGOVERNMENT ANNOUNCED AUGUST 4 THAT IT WOULD
PROVIDE APPROXIMATELY 45 MILLION POUNDS TOWARD THE COST
OF SETTING UP AN AMERICAN-OWNED CAR ASSEMBLY PLANT NEAR
BELFAST. ABOUT 85 PERCENT OF THE FACTORY'S OUTPUT IS
APPARENTLY DESTINED FOR THE US MARKET.

2. JOHN DELOREAN, CHAIRMAN OF DELOREAN MOTORS OF
DETROIT AND ROY MASON, UK SECRETARY FOR NORTHERN
IRELAND, ANNOUNCED AT A PRESS CONFERENCE IN BELFAST
THAT THE FACTORY TO ASSEMBLE THE NEW SPORTS CARS
WOULD EMPLOY 2,000 PEOPLE WITHIN 4 YEARS AND COST A
TOTAL OF 65 MILLION POUNDS. DELOREAN SAID HE EXPECTED
PRODUCTION IN THE FIRST YEAR TO REACH 20,000 CARS
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AND INCREASE TO 30,000 BY THE THIRD YEAR#

3. THE KEY FINANCIAL PROVISIONS OF THE GOVERNMENT'S
CONTRIBUTION WERE NOT ANNOUNCED IN ANY DETAIL SO IT
IS NOT POSSIBLE AT THIS POINT TO ASSESS THE NATURE
OF THE GOVERNMENT SUBSIDY. MASON SAID DETAILS WOULD
BE PUBLISHED THROUGH THE US SECURITIES AND EXCHANGE

COMMISSION IN ABOUT 3 MONTHS. HOWEVER, IT APPEARS FROM NEWS ACCOUNTS AND WHAT LITTLE IS AVAILABLE FROM GOVERNMENT OFFICIALS THAT THE ULSTER DEPARTMENT OF COMMERCE WILL PROVIDE A DIRECT GRANT OF ABOUT 30 MILLION POUNDS AND THE NORTHERN IRELAND DEVELOPMENT AGENCY WILL CONTRIBUTE EQUITY CAPITAL AND LOANS IN THE AMOUNT OF APPROXIMATELY 15 MILLION POUNDS, MAKING THE NEW COMPANY A JOINT VENTURE WITH THE NIDA.

4. FURTHER DETAILS WILL FOLLOW AS SOON AS AVAILABLE.

BREWSTER

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NNN

Message Attributes

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